

Executive Office of Housing and Economic Development

CHOOSING TO COMPETE IN THE 21ST CENTURY
Economic Development Plan

2013 Annual Report Card



COMMONWEALTH OF MASSACHUSETTS

MESSAGE FROM THE SECRETARY



We believe that it is no accident that Massachusetts has recovered from the Great Recession stronger and faster than most of the country. The increased collaboration among government, business, and academia as well as improved coordination among multiple economic development agencies has been integral to our success. Since 2007, we have deliberately and consistently planned ahead for job and housing growth across the Commonwealth and these efforts have paid off.

We are pleased to report that Massachusetts has seen significant progress in all categories required for sustainable economic development.

- **Economic Growth** —The Massachusetts economy grew at about twice the U.S. rate for 2007-2013, and it appears to be heading in a similar direction for 2014.
- **Population Growth** — The U.S. Census reports that Massachusetts' population increased .72% from July 1, 2012 to July 1, 2013, the same rate of growth as the nation as a whole. The last time we matched the country's population growth was 1980.
- **Job Growth** — By January 2013, Massachusetts was the seventh state to regain its pre-recession job peak; outpacing most other states and the country as a whole. In 2013, Massachusetts added over 55,000 jobs, growing by more than one percent over the previous year. It was the most jobs added since 2000.
- **Housing Growth** — Total housing starts in Massachusetts in 2013 are twice the number of starts in 2011—14,538 versus 7,260. Total multi-family starts in 2013 are nearly three times those for 2011— 7,601 versus 2,752. This represents the strongest year since 2007 for total starts, and the strongest since 2006 for multi-family starts.

Massachusetts is now poised for significant growth in the years ahead. Our economic development plan, [Choosing to Compete in the 21st Century](#), provides the framework for sustained progress through collaboration and strategic planning. Working together, we can create a more competitive Massachusetts economy for generations to come.

Greg Bialecki
Secretary of Housing and Economic Development

CHOOSING TO COMPETE IN THE 21ST CENTURY

In August 2010, the Massachusetts Legislature passed sweeping economic development legislation that calls upon each gubernatorial administration to develop and publish, with the assistance of an economic development planning council, an economic development policy and strategic plan for the Commonwealth.

An economic development planning council of 34 public and private sector representatives led by Secretary of Housing and Economic Development Greg Bialecki has developed [Choosing to Compete in the 21st Century](#), which builds on Governor Patrick's core strategy of long-term investments in education innovation and infrastructure.

This strategy and plan describes five broad categories for action that were identified as most important for Massachusetts to retain or improve its competitive position in the world's economy. Within each category, the economic development planning council recognized significant accomplishments over the last five years and then identified critical priorities for further improvement, together with specific action steps that would make meaningful, measureable progress for each identified priority.

The action steps do not simply describe ways in which government can and should perform better, but instead describe ways in which government, business and academia, working in collaboration, can bring about a more competitive and successful Commonwealth.

CATEGORIES FOR ACTION

Five Steps Towards a More Competitive Massachusetts Economy

1. Advance Education and Workforce Development for Middle-Skill Jobs Through Coordination of Education, Economic Development, and Workforce Development Programs:

- Design and develop a cohesive, coordinated workforce development system with clear leadership
- Improve responsiveness of workforce programs for business and workers that will meet the demands of the marketplace
- Prioritize goals of the State STEM Plan that align with middle-skill jobs

2. Support Innovation and Entrepreneurship:

- Strengthen and support our innovation community
- Build and retain talent for the innovation economy
- Expand our culture of innovation
- Support growth to scale

3. Support Regional Development Through Infrastructure Investments and Local Empowerment:

- Make public infrastructure investments that support regional growth opportunities
- Create regional and local economic development teams led by municipal officials who are “CEOs for Economic Development”
- Educate regional and local officials, municipal leaders and their staffs
- Empower municipal leaders and their staffs with more local input and control

4. Increase the Ease of Doing Business:

- Engage in on-going state regulatory review
- Re-align business development efforts
- Market the strengths of doing business in Massachusetts

5. Address Our Cost Competitiveness:

- Contain the increasing cost of health care while protecting access and quality
- Reduce energy costs while creating a diversified energy portfolio that

balances competitive pricing with sustainability

- Manage the impact on business of long-term cost pressures within state and local government
- Make the tax structure more simple, competitive, and predictable by addressing the use of tax-based business incentives

PROGRESS





This section depicts the performance rating for each action step and provides examples of accomplishments in each category for action. Additional details are available on our website.






This report uses ratings of Excellent Progress, Good Progress, Limited Progress and Other. Excellent Progress signifies a high level of progress that has met or exceeded expectations. Good Progress signifies a positive performance but slightly below expectations. Limited Progress signifies that progress is not consistent with the objective of the plan. Other refers to action steps that have been flagged as unmeasurable or upon further evaluation are inconsistent with objectives.

PROGRESS	ACTION STEPS
Excellent	33
Good	14
Limited	3
Other	5
TOTAL	55





Advance Education and Workforce Development for Middle-Skill Jobs Through Coordination of Education, Economic Development, and Workforce Development Programs

1.1 Design and develop a cohesive, coordinated workforce development system with clear leadership	
ACTION STEP	STATUS
1.1.1 Build a coordinated system with clear leadership that meaningfully includes all "middle skills" education and workforce training providers, such as community colleges and other higher education institutions, vocational-technical schools, workforce investment boards, community-based organizations and unions, together with coordinated participation by employers, and that directs funding to the most effective providers for each workforce need	
1.1.2 Develop and build awareness of education and workforce training pathways that provide continuing "stackable" opportunities for additional achievement, from internship, apprenticeship, certificate and licensure programs through associate, bachelor's and advanced degree programs--building on current pathways initiatives within our education and workforce training sectors	
1.1.3 Develop consistent evaluation and accountability measures within the coordinated system to assess the quality and effectiveness of programs, including performance incentives	
1.1.4 Protect and maintain full funding of currently well-performing programs such as the Workforce Training Fund	

1.2 Improve responsiveness of workforce programs for business and workers that will meet the demands of the marketplace	
ACTION STEP	STATUS
1.2.1 Continuously assess the workforce needs of regional employers in a collaborative process that includes all "middle skills" education and workforce training providers, building on the collaborative example of education, economic development and workforce development participants on the North Shore	
1.2.2 Develop and implement education and workforce development programs that are responsive to the workforce needs of regional employers and that build on existing "best practice" models, starting with the health care, life science, technology and advanced manufacturing sectors	
1.2.3 Increase the range of individuals effectively served by education and workforce training programs, particularly among low-skilled workers, unemployed and underemployed populations, new residents to the state, veterans, persons with disabilities, ex-offenders, drop-outs, non-graduating completers, and those seeking ABE/ESL and remedial training	

Note: 1.2.3 – While we can demonstrate progress on this Action Step, it is difficult to determine baseline measurement across all categories listed.

1.3 Prioritize goals of the State STEM Plan that align with middle-skill jobs

ACTION STEP	STATUS
1.3.1 Focus the efforts of public and private participants on the expansion of “best practice” STEM programs, building on the Commonwealth’s “@Scale” initiative	
1.3.2 Increase the attractiveness of STEM careers to both students and teachers, including increasing their exposure to role models in STEM careers, through expanded internship and externship opportunities and other means	
1.3.3 Increase the number of STEM programs that provide effective “hands on” learning experiences, including by increasing the number of public school facilities that are appropriately equipped to enable such experiences	
1.1.4 Protect and maintain full funding of currently well-performing programs such as the Workforce Training Fund	

Advanced Manufacturing Regional Partnerships

Established collaborations of employers, community colleges, vocational schools and workforce boards. These partnerships train and place underemployed or unemployed residents and train incumbent workers in new skills

AMP it up! Educational Campaign

- Statewide marketing campaign that introduces high school and middle school students to highly skilled, well-paying manufacturing jobs
- Over 30 events reaching nearly 1,000 students and their adult influencers

Building Career Pathways

The Community College Transformation Agenda enables our 15 community colleges to strengthen post-secondary certificate and degree programs



- One hundred forty six newly designed programs with industry based training in health care, IT, advanced manufacturing and biotech.
- Condensed programs offer stackable credentials, allowing students to enter and exit quickly with the skills required for high demand jobs. Thus far, there have been 4,000 enrollments with nearly 3,000 completions.

Support Innovation and Entrepreneurship

2.1 Strengthen and support our innovation community

ACTION STEP	STATUS
2.1.1 Establish a consistent pattern of state support for collaborative research and development among universities and businesses, building on the examples of the Holyoke Green High Performance Computing Center and the Massachusetts Life Sciences Center's cooperative research matching grant program	
2.1.2 Under the leadership of the Massachusetts Technology Collaborative, identify three to five emerging areas of global innovation excellence in the Commonwealth and support public-private collaborations to accelerate the growth of such areas, building on the example of Mass Insight's Advanced Cyber Security Center initiative	
2.1.3 Increase by 20% annually over the next five years state funding of capital, mentoring and advice, including incubator and/or accelerator programs, for early stage entrepreneurs and small businesses, building on the example of Mass Challenge	

2.2 Build and retain talent for the innovation economy

ACTION STEP	STATUS
2.2.1 Increase by 20% annually over the next five years the number of internship placements made by multi-school, multi-employer internship programs, building on the examples of programs currently run by the Greater Boston Chamber of Commerce, the Federal Reserve Bank of Boston, Mass Technology Leadership Council, the Massachusetts Marketing Partnership, the Massachusetts Clean Energy Center and the Massachusetts Life Sciences Center, as well as newly proposed programs such as the Massachusetts Startup Fellows Program. The internship programs should, in particular, focus on facilitating the flow of young students into young companies to help them integrate into the local innovation economy	
2.2.2 Increase the production of rental apartment housing available in communities and regions of high market demand over the next five years, especially in or near locations with high levels of innovation and entrepreneurial activity, with the goal of significantly reducing the premium in rents between Massachusetts and the states with which we compete most directly for talent in our key industry clusters	

Note: 2.1.3 – There has been significant progress and support for incubator and accelerator programs as highlighted on the next page. However, the goal of increasing the level of support by 20% does not necessarily correlate to progress nor can it be effectively measured.

Note: 2.2.1 – Innovation internships have grown significantly but baseline is difficult to determine across the board. Progress highlighted on next page.

Incubators & Accelerators – 19 across the state providing expertise and resources for new entrepreneurs and startups

- MassChallenge – world’s largest startup accelerator, supporting 489 new startups, creating more than 3,900 jobs and raising \$472 million in outside funding
- Mass Digital Games Institute – Becker College, Worcester – creates economic development across the state’s digital and video games industries, a \$2 billion industry that employs 4,000 people
- Valley Ventures Mentors – Springfield – connects people with ideas with experienced people who have already started companies. Founded in 2012, it has served over 30 entrepreneurs by providing business mentors across Massachusetts
- Merrimack Valley Sandbox – Lowell and Lawrence gives entrepreneurs the tools to succeed through workshops, pitch contents and accelerator programs. It emphasizes "Entrepreneurship for All" that includes startup ventures beyond high tech.

Internship Programs

- **Massachusetts Life Sciences Center** – The Center serves as a catalyst for growing talent in the life sciences field. The program created 1,400 internships at 380 companies; nearly 30% of the students were hired following their internships.
- **Massachusetts Technology Collaborative** – MTC’s Intern Partnership provides matching grants to eligible tech companies. Last year, 77 interns were placed in 50 companies.
- **Massachusetts Clean Energy Center** – MassCEC and the New England Clean Energy Council provide a talent pipeline for local clean energy companies. Of 914 applications, 184 students were placed in 110 companies

2.3 Expand our culture of innovation	
ACTION STEP	STATUS
2.3.1 Identify locally-based accelerators for innovation and entrepreneurship in five of our "Gateway Cities" over the next two years and provide support for their growth through a competitive process	
2.3.2 Establish a national reputation within state and local government as "first adopters" of local Innovation, building on the example of the "Mayor's Office of New Urban Mechanics" in the City of Boston and of the Department of Housing and Community Development's initiative to bring clean energy and energy efficiency innovations into public housing developments	

2.4 Support Growth to Scale

ACTION STEP	STATUS
2.4.1 Increase by 20% annually over the next five years state funding of capital, mentoring and advice, including shared facilities for the making and testing of product prototypes, to support the growth of small and mid-sized businesses, building on the examples of the Massachusetts Growth Capital Corporation and the Treasurer's Small Business Banking Partnership	●
2.4.2 Increase the participation of our small and mid-sized businesses in the supply chain of our major corporate operations, building on the example of the "BuyHere" initiative of the Associated Industries of Massachusetts	●
2.4.3 Raise the profile of advanced manufacturing as an integral part of our innovation economy by encouraging young people to enter the sector and by facilitating the adoption of local innovations into our small and mid-sized manufacturing businesses	●
2.4.4 Make a systematic effort to work with growing Massachusetts companies to locate their call centers, other sales/marketing/customer service offices and other administrative offices within the state	●

Note: 2.4.1 – Not measurable

Support Regional Development Through Infrastructure Investments and Local Empowerment

3.1 Make public infrastructure investments that support regional growth opportunities

ACTION STEP	STATUS
3.1.1 Plan ahead for growth by identifying priority development areas for job and housing growth through regional planning efforts that include public and private participation, building on the example of the recently completed South Coast regional plan and the currently on-going 495/MetroWest regional plan	●
3.1.2 Target state infrastructure investments to identified priority development areas where prompt and predictable permitting has been established by local communities	●
3.1.3 Enlist state agencies such as Mass Development and Mass Housing to provide targeted assistance to accelerating development within identified priority areas	●
3.1.4 Identify or develop additional innovative public and private financing mechanisms for infrastructure investments in support of growth that would allow faster decision-making and execution and more local control	●

MassWorks

The MassWorks Infrastructure Program has successfully leveraged public investment to support private investment. In 2013, MassWorks awarded over \$79 million for 33 infrastructure grants to support housing, economic development and road safety in communities across the state. Here are examples of MassWorks public/private partnerships in recent years.

Marlborough – Forest Park

This project is expected to generate \$320 million in private investment to support the redevelopment of the former Hewlett-Packard site in Marlborough. Supported by a \$1.65 million MassWorks award and \$1.37 million in city funding, Simarano Drive will improve pedestrian, bike and vehicle mobility throughout the site and support over one million square feet of development, which will include 574 new housing units, a hotel and offices.

Worcester – City Square

This redevelopment of 21 acres in downtown Worcester is reconnecting the city at the site of the former Worcester Outlet Mall. The \$565 million, multi-year, multi-phase project is supported by \$27.5 million from MassWorks. The project features over 2.2 million square feet of mixed-used space, including 350 housing units, 280,000 square feet of office space, pedestrian-friendly streetscapes and open space, all within walking distance of Union Station.

Somerville – Assembly Row

Assembly Row is a \$1.36 billion transit-oriented development on 56.2 acres of underutilized land. This public/private partnership includes 175,000 square feet of office space, 852,000 square feet of retail space, a hotel and 2,100 new residential units. The infrastructure for this project, including the new Orange Line Station, is supported by \$27.5 million from MassWorks. Projects currently underway include 449 housing units, retail shops, and office space to accommodate 4,500 Partners HealthCare employees.

Chelsea - Everett Avenue Urban Renewal District

This gateway city has received over \$63 million in state awards, which have produced \$500 million of development and \$5 million in recurring new revenues in the last seven years. The \$6 million in MassWorks investments in the Everett Avenue Urban Renewal District supports the construction of 133,000 square feet of a supermarket, 2 hotels, and 286 market-rate rental units. An additional hotel, 250,000 square feet of office space and 280 housing units are

anticipated in the future. The growth in this area and other areas such as the Box District is supported by the upcoming \$82.5 million Silver Line extension.

Lawrence – Riverwalk Properties

When acquired by Lupoli Companies in 2003, the Riverwalk Properties, located on the Merrimack River, contained 35 businesses and 600 jobs. The MassWorks program supported the phased redevelopment and expansion of the property with a \$2.3 million award in 2009. Today, the site has grown to 2.3 million square feet of redeveloped space, with nearly 200 companies and 4,500 employees representing a \$200 million private investment.

Housing that Works

To fuel the innovation economy and build strong communities, Massachusetts has launched the Housing that Works initiative. This initiative has a production goal of creating 10,000 multi-family housing units each year in cities and town centers, near transportation and work places. In 2013, Massachusetts produced 7,600 units, nearly three times as many as 2011, representing the strongest housing activity since 2006.

Metro North

Metro North is a consortium of ten communities: Charlestown, Chelsea, Everett, East Boston, Malden, Medford, Melrose, Revere, Somerville, and Winthrop. Located within six miles of greater Boston's innovation clusters, this new alliance maximizes regional strengths and opportunities. The goal is to support these communities as ideal places to live, work and play, and bring jobs, housing and growth while spurring regional development.

3.2 Create regional and local economic development teams led by municipal officials who are “CEOs for Economic Development”

ACTION STEP	
3.2.1 Within two years, ensure that at least 10% of the Commonwealth’s cities and towns have engaged in a structured process, building on the example of Northeastern University’s Economic Development Self-Assessment Tool, for establishing and implementing a collaborative local economic development strategy that includes regional and private sector participants and is led by the senior-most municipal officials	●

3.3 Educate regional and local officials, municipal leaders and their staffs

ACTION STEP	STATUS
3.3.1 Establish and run annually a series of regionally-based economic development “academies” at which public and private participants experienced in economic development will conduct focused, intensive workshops on effective economic development strategies and techniques; economic development “best practices” will be shared and municipal accomplishments in economic development will be celebrated	●

3.4 Empower municipal leaders and their staffs with more local input and control

ACTION STEP	STATUS
3.4.1 Give priority in state infrastructure investments to local priorities that have been evaluated and supported by a regional process, building on the examples of the South Coast regional plan and the infrastructure priorities established by the South Shore Chamber of Commerce	●
3.4.2 Establish accountability that state infrastructure investments are being made in a manner responsive to local priorities, building on the example of Executive Order 525, which requires annual state reporting on the consistency of state investments with local priorities in the South Coast region	●
3.4.3 Create a clear and transparent feedback mechanism for municipalities when local priorities are not funded	●

MassDevelopment coordinated ten economic development academies across the Commonwealth. The “Choosing to Collaborate” events brought together municipal, academic, and regional leaders to share information on resources, tools, and best practices for effective economic development.

Fifty-two cities and towns have completed Northeastern University’s Economic Development Assessment Tool and 11 more are in the process. This practical tool helps cities and towns analyze the capacity for economic development.

Increase the Ease of Doing Business

4.1 Engage in on-going state regulatory review	
ACTION STEP	STATUS
4.1.1 Building on recent legislative reforms, establish and implement a consistent and transparent process, which includes business and public participation and comment, for all Commonwealth regulatory agencies to identify the small business impacts of new regulations	●
4.1.2 Appoint a senior member of the Executive Office of Housing and Economic Development to serve as an internal regulatory “ombudsman” and work in partnership with the State Permit Ombudsman to address regulatory matters of interest to the business and development community	●
4.1.3 Establish an advisory group representing business interests to advise and inform the state decision-making process on regulation	●
4.1.4 Building on recent legislative reforms, identify (with public and business participation) existing regulations within all Commonwealth regulatory agencies whose small business impacts could be reduced by limiting or eliminating the regulations, or by replacing them with model regulations widely accepted in other jurisdictions	●
4.1.5 Provide periodic training to Commonwealth regulatory personnel on how to identify the small business impacts of regulation and how to reduce those impacts	●
4.1.6 Ensure that when regulatory agencies issue “guidance”, the guidance should be explanatory and illustrative, and not a substitute for or addition to binding legal obligations, which should only be imposed through formal regulation	●

In October 2011, Governor Patrick directed each executive agency to review its regulations and make recommendations to streamline the regulatory burden on the citizens and businesses of the Commonwealth. Of the 1,791 regulations at the start of this initiative, 1,296, or nearly three quarters, of all Massachusetts regulations have been reviewed for their efficiency. Since January 2012, 222 of the regulations have been amended or repealed. Agencies have identified an additional 206 pending regulations to amend or repeal.

Note: 4.1.6 – *This action step is neither measurable nor enforceable.*





4.2 Re-align business development efforts	
ACTION STEP	STATUS
4.2.1 Building on recent legislative reforms, continue the consolidation of state economic development agencies	
4.2.2 Building on recent legislative reforms, establish annual business plans for all state economic development agencies, each having clear alignment with the Commonwealth's economic development strategy	
4.2.3 Building on recent legislative reforms, make regional economic development organizations true partners in all Commonwealth business development activities	

Economic Development Alignment – The Office of Performance Management and Oversight oversees 18 state and quasi-public agencies. Each agency submits an annual plan that aligns with the state's economic development plan for approval. In addition, each agency provides an annual report depicting progress against plan. The agencies are listed below.

<i>Commonwealth Corporation</i>	<i>Massachusetts Life Sciences Center</i>
<i>Commonwealth Marketing Office</i>	<i>Massachusetts Office of Business Development</i>
<i>Massachusetts Business Development Center</i>	<i>Massachusetts Office of International Trade and Investment</i>
<i>Massachusetts Clean Energy Center</i>	<i>Massachusetts Office of Travel and Tourism</i>
<i>Massachusetts Convention Center Authority</i>	<i>Massachusetts Port Authority</i>
<i>Massachusetts Cultural Council</i>	<i>Massachusetts Small Business Development Center</i>
<i>Massachusetts Development Finance Agency</i>	<i>Massachusetts Technology Collaborative</i>
<i>Massachusetts Export Center</i>	<i>Massachusetts Technology Transfer Center</i>
<i>Massachusetts Growth Capital Corporation</i>	<i>Massachusetts Ventures</i>

Note: 4.2.1 –There were no additional agency consolidations in 2013.

4.3 Market the strengths of doing business in Massachusetts

ACTION STEP	STATUS
4.3.1 Under the leadership of MassEcon and the Massachusetts Marketing Partnership, increase by 20% annually over the next five years the number of private sector "ambassadors" sharing their knowledge and enthusiasm about the Commonwealth with businesses interested in locating or growing here, with a corresponding increase in the number of networking events, forums and marketing channels in which these ambassadors participate	
4.3.2 Under the leadership of the Massachusetts Marketing Partnership, in collaboration with the Massachusetts Convention Center Authority, leverage our status as a leading host of international scientific, medical and technical conferences to better connect and market our key industry clusters	
4.3.3 Under the leadership of the Massachusetts Marketing Partnership, in collaboration with MassPort, increase the number of direct flights between Massachusetts and other global centers of activity for our key industry clusters	
4.3.4 Under the leadership of MassEcon and the Executive Office of Housing and Economic Development, develop and distribute marketing information showcasing an attractive variety of truly "development ready" sites across the Commonwealth, with supporting information regarding regional strengths, such as regions with a lower cost of doing business and a lower cost of living	

Since 2000, Boston has seen the largest growth in convention market share of any U.S. city. In 2012, the Massachusetts Convention Center Authority (MCCA) hosted 245 events in Boston with nearly 655,000 attendees, generating over 561,000 hotel room nights and \$565 million in economic impact.

Since 2012, Massachusetts has added five new non-stop flights from Tokyo, Panama City, Dubai, Istanbul, and Beijing to Boston, while expanding service to existing routes in Shannon, Madrid, Toronto, and the Dominican Republic

Note: 4.3.4 – *There has been limited progress on this action step. Some of this information has been developed and distributed but limited in scope.*

Address Our Cost Competitiveness

5.1 Contain the increasing cost of health care while protecting access and quality	
ACTION STEP	STATUS
5.1.1 Continue to move away from fee-for-service health care payments and towards value-based global payments, with the goals of converting most health care payments (public and private) to other than fee-for-service by 2014 and of reducing disparities in pricing for services of comparable quality	
5.1.2 Continue to enhance the role of consumer information and consumer choice, building on recent movements towards selective networks and tiered health care insurance products	
5.1.3 Accelerate use of e-health technologies to support lower cost delivery of health care with equal or greater access and improved quality	

Health Care Cost Containment

Massachusetts has slowed the average annual increase in health insurance rates for small businesses and individuals. In 2010 that increase was 16%, in 2014 it is under 2%. These reductions have saved small businesses and families hundreds of millions in premium costs while returning \$114 million in premium rebates since 2012.

In addition, new transparency measures enable health care consumers to receive from health insurers cost estimates for specific tests, procedures and office visits in advance. These measures enable consumers to shop more intelligently and lower their out-of-pocket expenses.

5.2 Reduce energy costs while creating a diversified energy portfolio that balances competitive pricing with sustainability	
ACTION STEP	STATUS
5.2.1 Develop Holyoke and other well-suited locations as test beds for cost-competitive renewable energy and energy efficient technologies	
5.2.2 Keep energy supply costs competitive based on market conditions in the region	
5.2.3 Pursue large scale hydro with other cost-competitive low carbon alternatives along with renewable generation under the Commonwealth's renewable portfolio standards	

Energy Efficiency

The state's biggest utilities have signed long-term contracts to buy wind-generated electricity at prices below the costs of most conventional sources such as coal and nuclear plants. The contracts represent the largest renewable energy purchase to be considered by state regulators at one time. Massachusetts' clean energy policies have reduced dependence on fossil fuels and produced cost-effective energy efficiency.

5.3 Manage the impact on business of long-term cost pressures within state and local government	
ACTION STEP	STATUS
5.3.1 Conduct an assessment of the competitiveness and sustainability of the unemployment insurance system	
5.3.2 Continue to develop additional reforms as needed to further improve the sustainability of the pension system and to accelerate the attainment of a "well-funded" pension system as defined by industry and federal government standards	

The Patrick Administration continues to put state government on more sound fiscal footing. The FY 2015 budget cuts the state's use of Rainy Day funds—and, overall, the net amount of one-time resources—used to support annual spending in half from FY 2014. With this restraint and the continued investment of excess capital gains revenues in our reserves, the Rainy Day Fund will end FY 2015 at \$1.2 billion—one of the largest balances in the nation.

5.4 Make the tax structure more simple, competitive, and predictable by addressing the use of tax-based business incentives	
ACTION STEP	STATUS
5.4.1 Focus on use of non-tax business incentives (such as workforce training, infrastructure investments and financing assistance) in developing and growing industry clusters	
5.4.2 Establish standards for effectiveness and accountability for existing tax-based business incentives and use them to periodically evaluate existing incentives	
5.4.3 Only consider new tax-based business incentives to develop and grow industry clusters where such incentives meet established standards for effectiveness and accountability	

Note: 5.4.2 – Standards for effectiveness and accountability for existing tax-based incentives established; limited progress on tax based incentives across the board.

Membership of the Economic Development Planning Council

Chairman: Greg Bialecki, Secretary of Housing and Economic Development
Bonnie Biocchi: President and CEO, Metrowest Chamber of Commerce
Barry Bluestone: Dean, School of Social Science, Urban Affairs, and Public Policy, Northeastern University
Lynne Browne: Executive Vice President and Economic Advisor, Federal Reserve Bank of Boston (retired)
Wayne Burton: President, North Shore Community College
Jeff Bussgang: General Partner, Flybridge Capital Partners
Robert Caret: President, University of Massachusetts
Janelle Chan: Executive Director, Asian Community Development Corporation
Donna C Cupelo: Region President, Verizon New England
Richard Davey: Secretary & CEO, Massachusetts Department of Transportation
Mark Erlich: Executive Secretary-Treasurer, New England Regional Council of Carpenters
John Fish: President, Suffolk Construction
Helena Fruscio: Creative Economy Industry Director
Tom Glynn: Senior Fellow, Center for American Progress; Lecturer in Public Policy, Harvard Kennedy School
Joanne Goldstein: Secretary of Labor and Workforce Development
Jay Gonzalez: Secretary of Administration and Finance
Maria Gooch-Smith: Executive Director, South Eastern Economic Development (SEED) Corp.
Steven Grossman, State Treasurer
Eric Hagopian: President, Hoppe Technologies, Inc.
Mike Hogan: CEO, Makepeace
Rosabeth Kanter: Ernest L. Arbuckle Professor of Business Administration, Harvard Business School
Colleen Keating: General Manager and Area Managing Director for Starwood Hotels and Resorts
Ranch Kimball: Former Secretary of Economic Development, MassDevelopment, Chairman, Mass Port Authority
Jordan Krasnow: Director, Goulston and Storrs
Scott W. Lang: Mayor of New Bedford
Travis McCready: Executive Director, The Kendall Square Association
Jerry Sargent: Regional President, Citizens Bank
Bill Scanlon: Mayor of Beverly
Karen Spilka: Senate Chair, Joint Committee on Economic Development & Emerging Technologies
Rick Sullivan: Secretary of Energy and Environmental Affairs
Robert Thomas: Founder, President and CEO, MLK Business Empowerment Center
Joseph Wagner: House Chair, Joint Committee on Economic Development & Emerging Technologies
Luis Yopez, Vice President of Operations, Mainstream-Global
Ellen Zane: Former President and CEO of Tufts Medical Center

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